



Executive Summary



Jack Sellers
District 1



Steve Chucri District 2



Clint Hickman
District 4
Chairman



Bill Gates
District 3



Steve Gallardo
District 5

Board of Supervisors



Budget Guidelines and Priorities

Adopted by the Board of Supervisors on January 15, 2020

- Develop a sustainable budget that advances the County's mission and strategic goals
- Leave the property tax rate unchanged
- Direct Human Resources to develop a targeted employee compensation strategy
- Require all departments to allocate resources to fulfill their mandates and submit budgets within their baseline with no requests for new or expanded programs in the General and Detention funds unless presented publically to the Board
- Review new capital or technology requests after reserve decisions are made
- Evaluate all increases for their impact on the County's Expenditure Limitation



Amended Budget Guidelines and Priorities

Adopted by the Board of Supervisors on April 8, 2020

- Develop a sustainable budget that advances the County's mission and strategic goals
- Leave the property tax rate unchanged
- Utilize the Recession scenario from the County's contract economist
- No funding for pay-for-performance in FY 2021
- General and Detention fund operating budgets reduced 2%
- Special Revenue funds to review revenue and submit budget balancing plan that does not include offset from the General or Detention funds
- Re-prioritize the capital improvement program
- Evaluate all increases for their impact on the County's Expenditure Limitation



What We Thought Would Be Major Budget Challenges

- Increased service demands that accompany an increase in population
- An aging economic cycle
- Detention Fund dependence on the General Fund
- Funding requests for criminal justice operating and CIP needs
- Structural balance in special revenue funds
- Low unemployment
- Pension rates and unfunded liabilities



New Challenges

- Unchartered waters
 - Modeling not beneficial
 - Too many unknowns
- Uncertain economic fall out from pandemic
 - Duration
 - Decline and delay in revenues
 - High Unemployment
- Timing
 - Sales and Jail Excise Tax 2 month lag
 - VLT 1 month lag
- FY 2021 Budget Development Timeline
 - Budget recommendation had been largely developed
 - Lack of time for analysis prior to budget adoption



Assumptions

- Structural balance in operating funds
 - Recurring revenues meet or exceed recurring expenditures
- Recession scenario for major revenue streams
- Contingency based on historical utilization, revenue risks and unanticipated economic shocks
- General and Detention Fund reserve levels based on two-months of prior year operating budget



How We Prepared

- Conservative Revenue Estimates
 - FY 2020 based on early *Most Likely*
 - FY 2021 had been based on *Pessimistic*
- Future Impact Funding
 - Annualization of mid-year projects in initial year
 - Future year known investment funding
 - Future operating maintenance
 - State Issues
- Operating transfer for capital
- Operating contingency separate from reserves
- Reserves at 2 months of operating in major funds
- Compensation decisions at discretion of Board



FY 2021 Estimate of Reduction to Resources

Operating	In Millions	
Sales Tax	50.1	
Vehicle License Tax	11.0	
Jail Excise Tax	15.4	
Other Revenues	5.4	
Total	81.9	

Non Recurring	In Millions	
Sales Tax	50.0	
Vehicle License Tax	4.4	
Jail Excise Tax	15.0	
Other Revenues	20.1	
Transfers	25.8	
Unanticipated Expenditures	9.1	
Total	124 5	
IUldi	124.5	



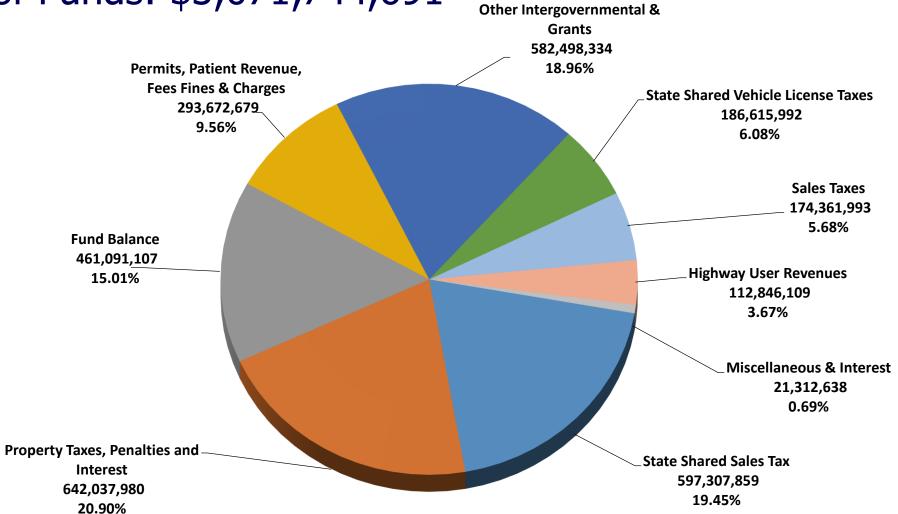
FY 2021 Reductions to Uses

Operating	In Millions
Line Item Contingencies	33.6
Operating Transfers	26.8
Department 2% Operating Reductions	24.3
Pay-for-Performance	23.7
Total Reductions	108.4
Increase General Contingency	-26.5
Net Reduction	81.9

Non Recurring	In Millions
Future Year Projects	55.9
New/Existing Capital Projects	37.8
New/Existing Parks Projects	13.7
Future Year Technology	18.3
FY 21 Non Capital Initiatives	9.1
Future Year Initiatives	7.5
Utilization of Future Reserves	8.5
Forecasted Capital Project Savings	1.2
Total Reductions	152.0
Increase General Contingency	-27.5
Net Reduction	124.5

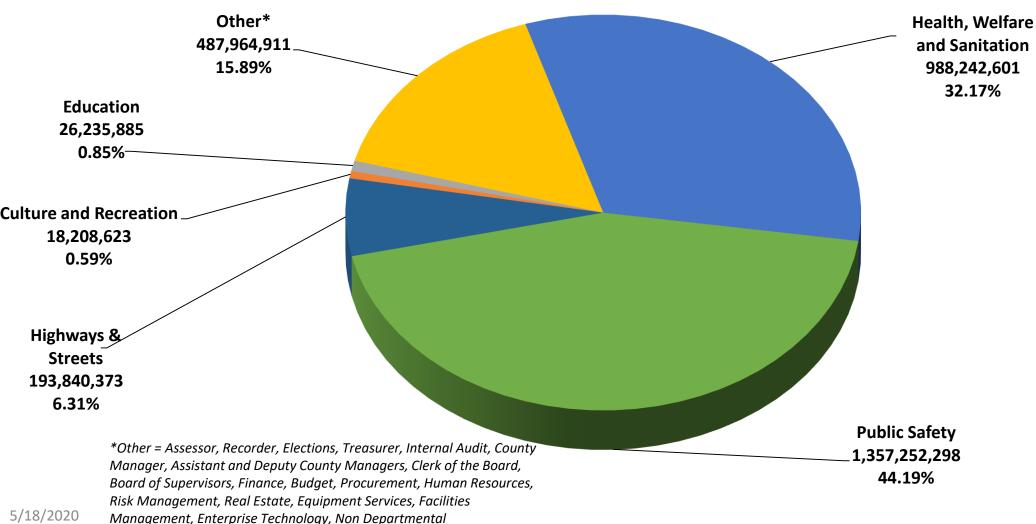


Sources of Funds: \$3,071,744,691





Uses of Funds: \$3,071,744,691





FY 2021 Net Variance to the FY 2020 Revised Budget (Millions)

	FY 2020 Revised	FY 2021 Recommended	Increase/ (Decrease)	% Change
Total Operating	2,053.5	2,136.9	83.4	4.06%
Total Non Recurring	530.7	934.8	404.1	76.14%
Total County	2,584.2	3,071.7	487.5	18.86%

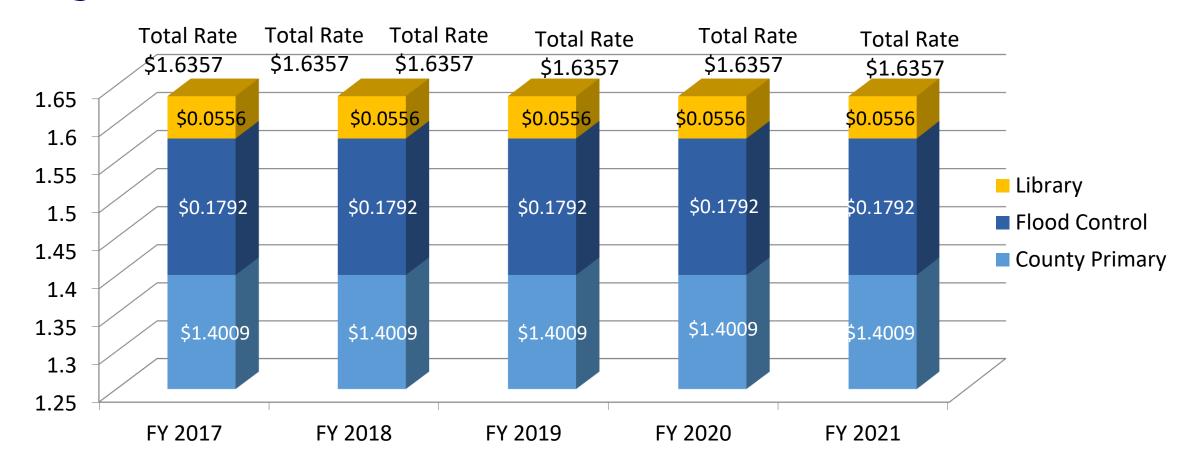


CARES Act Funding

- \$398M received
- FY 2021 budget includes \$378M for CARES expenditures
- Funds will be appropriated via the process as approved by the Board of Supervisors

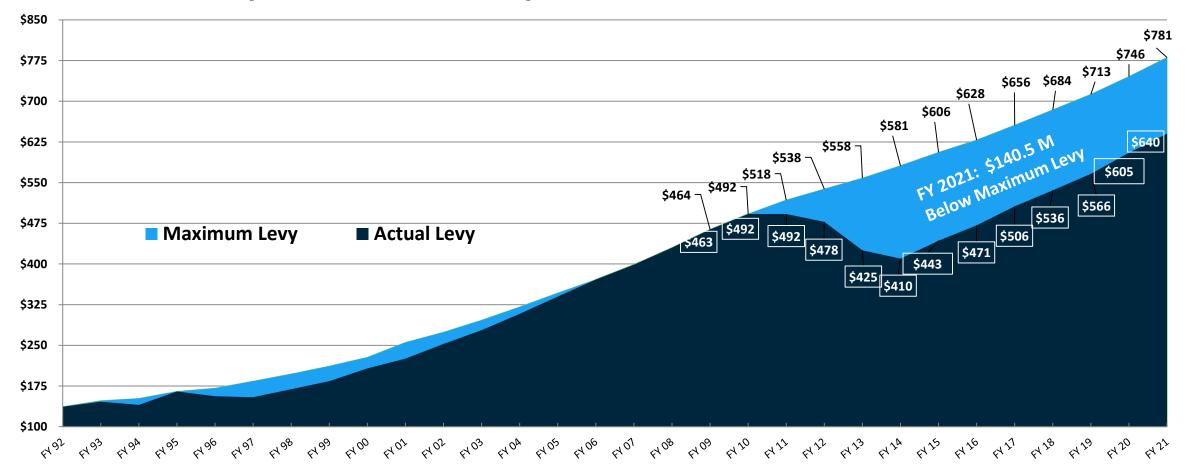


No Change to Combined Tax Rate





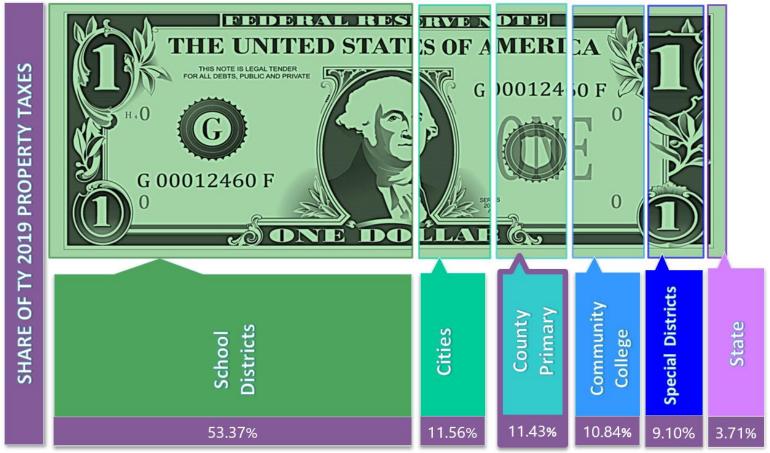
Maximum Levy vs. Actual Levy - General Fund





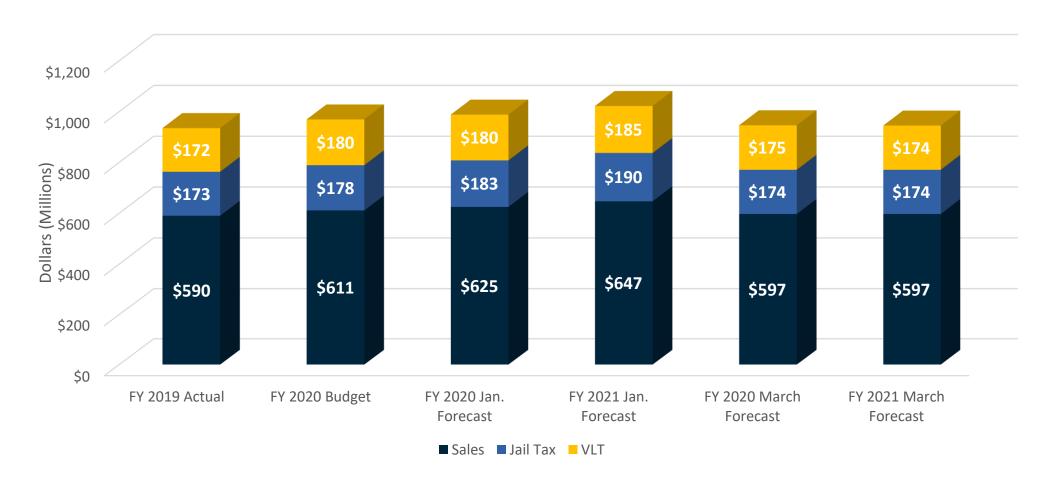
In FY 2020, County Primary Property Taxes were only 11.43% of Total Property Taxes

Property Taxes



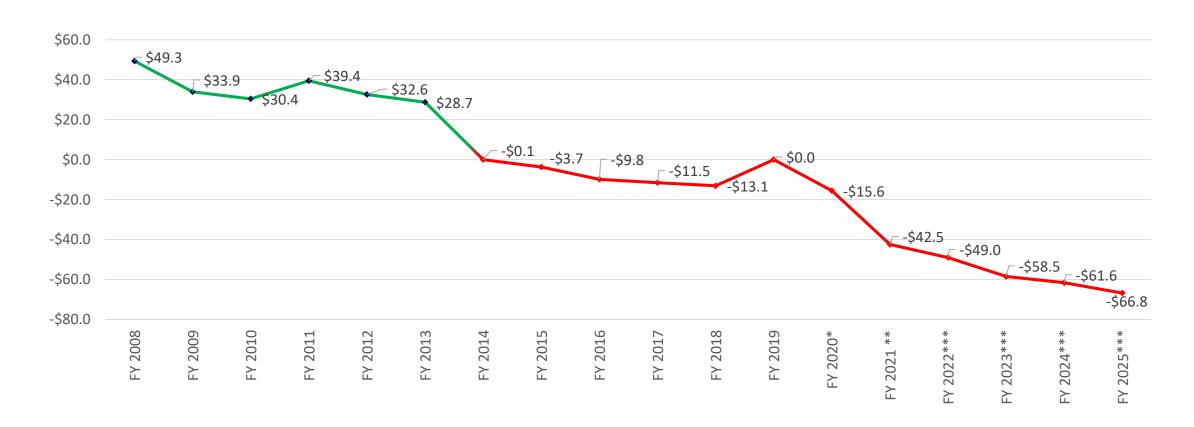


Major Operating Revenues





Detention Fund Structural Balance without General Fund Subsidy





Mandated State Payments

- 18.8% of the General Fund operating budget supports \$283.9M in mandated payments to the State for healthcare services including:
 - \$17.8M for Arizona Health Care Cost Containment System (AHCCCS) contribution
 - \$196.9M for Arizona Long Term Care System (ALTCS) with possibly more on the way
 - \$69.2M for Arnold v. Sarn and mental health services
- Additional State shifts of over \$9.1M equate to .6% of the General Fund operating budget:
 - Juvenile Corrections payment
 - Department of Revenue payment

for a combined total of 19.4% of General Fund operations



Potential Legislative and Other Impacts

- Delay in receipt of Property Tax, Sales Tax and Jail Tax
- Increased postage cost due to requirements regarding property tax bill mailing
- Increased ALTCS contribution associated with increased provider payments
- Judicial Officer Salary Increases





General and Detention Fund County-wide Budget Impacts

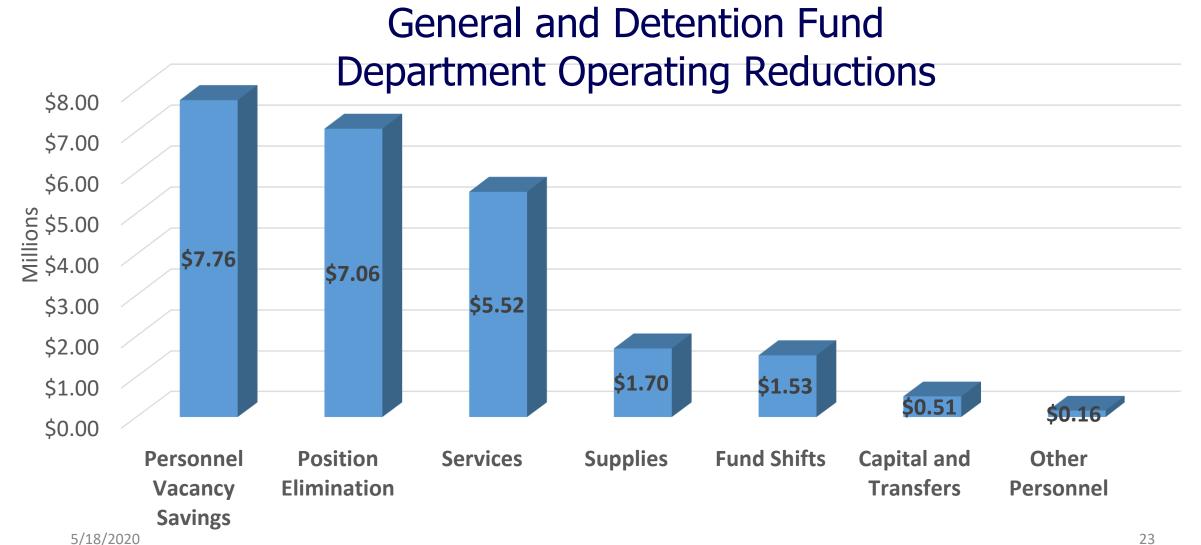
Net Departmental Health Benefit Increase \$10,591,631

Net Departmental Retirement Increase \$ 8,540,606

• Telecommunications and Radio Charges \$ 3,717,067

Net Risk Management Charges \$ 2,042,394







Sheriff's Office

- The <u>Detention Fund</u> operating budget is recommended at \$236.6M and includes:
 - Sheriff's Office submission under baseline of \$1.3M and a reduction of internal contingency of \$1.7M
 - \$4.7M for new Detention Officers and a Detention Captain
 - Net Change to Personnel Savings, Overtime & Benefits excluding base retirement and medical premiums of \$4.7M
- One-time funding is recommended for:
 - Inmate Transport Bus Repairs in the amount of \$500K

Fingerprint Scanners and Printers in the amount of \$263K
Detention Officer Safety equipment in the amount of \$254K



Sheriff's Office

- The General Fund operating budget is recommended at \$130.5M and includes:
 - Technology System Upgrades and Stabilization for \$1.3M
 - Employee Health and Wellness team and CISM training and equipment for \$466K
 - Net change to Personnel and Benefits excluding base retirement and medical premiums of (\$1.6M)
- One-time funding is recommended for:
 - Community aided dispatch on iPhones and development of the oneMCSO App in the amount of \$200K





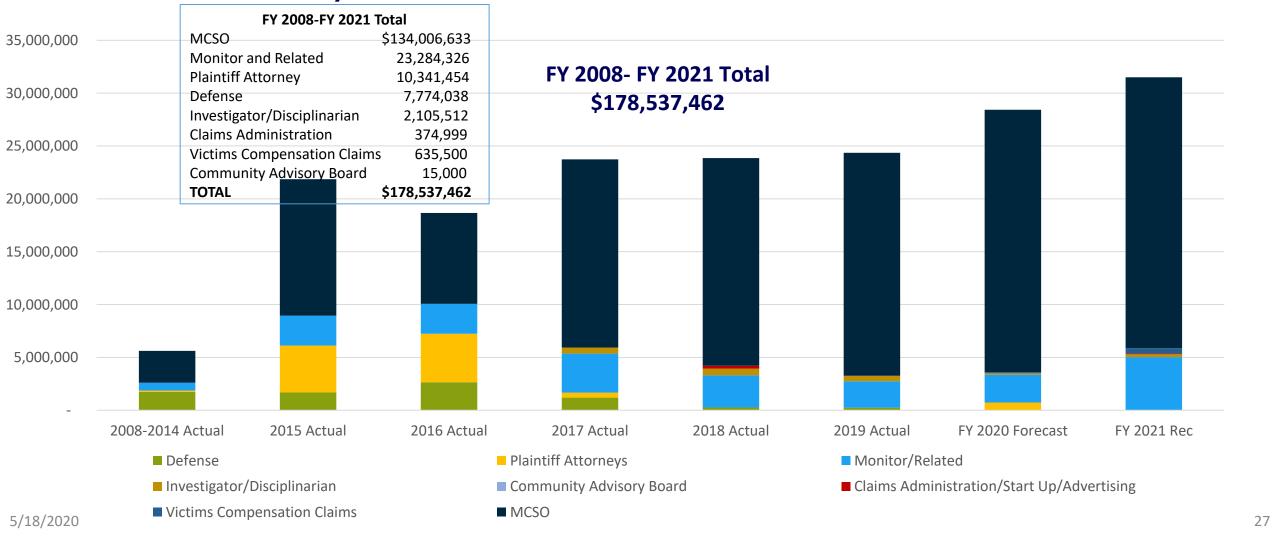
Melendres Judgment Order

- The MCSO <u>General Fund</u> Compliance operating budget is recommended at \$25.7M and includes:
 - Net change to Personnel and Benefits excluding base retirement and medical premiums of (\$207K)
 - Technology maintenance contracts for \$24K





Melendres Costs by Year





Adult Probation

- The General Fund operating budget is recommended at \$69.1M
 - This includes an adjustment of \$247k for 3 positions and supplies to meet the current demand in caseloads.
- The <u>General Fund</u> non recurring budget includes \$229,440 for Adult Probation's share of the Sheriff's Office Communication Center upgrades
- The <u>Detention Fund</u> operating budget is recommended at \$42.4M
 - This includes a \$1.3M for 16 positions and supplies to meet the current demand in caseloads







Juvenile Probation

- The General Fund operating budget is recommended at \$20M
- The <u>Detention Fund</u> operating budget is recommended at \$37.6M
- One time funding is included for:
 - Juvenile Probation's share of the Sheriff's Office Communication Center Upgrades for \$62K
 - Additional funding of \$1M for the Juvenile Probation Video Camera System Replacement
 Judicial Branch of Arizona in Maricopa County

VISION

We envision a future where all youth are connected to the community, contributing members of society and accountable for their behavior.



JUVENILE PROBATION DEPARTMENT



Superior Court

- The General Fund operating budget is recommended at \$94.5M and includes:
 - New positions for the IT (7) and Probate (2) units in the amount of \$641K
 - Personnel savings adjustments for \$212K
 - Technology supplies and services needs after full review of \$533K
- The General Fund non recurring budget includes the following one-time items:
 - Technology equipment replacement for \$3.7M
 - A Data Analytics Consultant for \$500K
 - Superior Court's share of the Sheriff's Office
 Communication Center upgrades for \$8,550
 - Security equipment and vehicles for \$295K





Clerk of Superior Court

- The General Fund operating budget is recommended at \$38.9M
 - This includes \$379K for the transfer of the collections function from the Department of Finance to the Clerk of the Court
- Special Revenue fund budgets total \$12.1M





Justice Courts

- The <u>General Fund</u> operating budget is recommended at \$21.3M
- Special Revenue fund budgets total \$7.7M



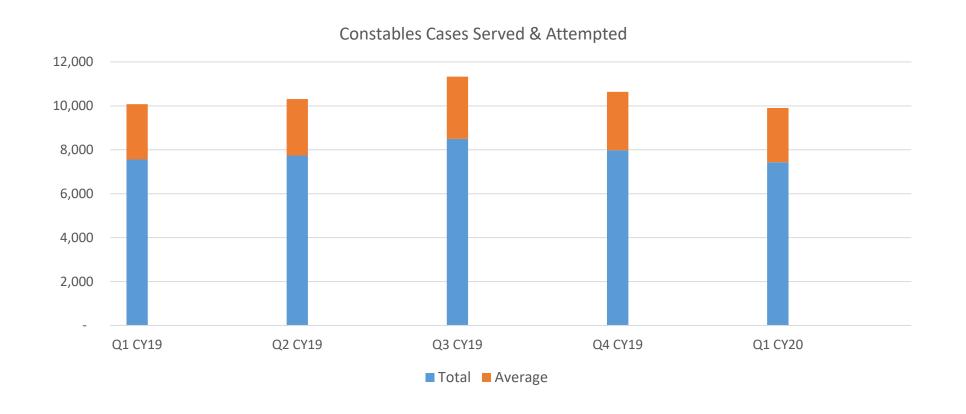
Monthly Performance Report, FY19 vs. FY20

Justice Court Filings	March-19	March-20	percent change
DUI	6,004	5,859	-2.4%
All Other Criminal Traffic	22,207	15,404	-30.6%
Civil Traffic	88,438	88,945	0.6%
Misdemeanor	8,371	7,410	-11.5%
Small Claims	8,826	8,789	-0.4%
Eviction Actions (Forcible Detainer)	54,507	54,348	-0.3%
Other Civil Filings	62,951	59,324	-5.8%
Orders of Protection	2,482	2,530	1.9%
Injunctions Against Harassment	1,550	1,501	-3.2%
TOTALS	255,336	244,110	-4.4%



Constables

The General Fund operating budget is recommended at \$3.9M







County Attorney

- The <u>General Fund</u> operating budget is recommended at \$101.4M and includes:
 - Submission under baseline of \$30K
 - Baseline reduction of \$2.1M for lease payments no longer needed as a result of move to 225 W. Madison
- Special Revenue fund budgets total \$11M





Assessor

- The <u>General Fund</u> operating budget is recommended at \$26.5M and includes adjustments for:
 - MARS Software Maintenance/Cloud Services \$463K
 - Elimination Rental Registration Fees \$130K

• Continues operating appropriation for Legal Class Verification (LCV) Program at

\$187K





Recorder

- The <u>General Fund</u> operating budget is recommended at \$6.6M and includes the following increases:
 - -\$64K increase in the payment for the Access Voter Information Database
 - -\$144K to transfer funding from the Elections budget for the National Change of Address mail budget
 - -\$485K for Help Desk staff transfer from Surcharge fund
 - -\$222K for four indexing positions
 - -\$118K for two Voter Registration Leads
- The <u>Surcharge Fund</u> operating budget is recommended at \$4.4M
- The <u>Surcharge Fund</u> non recurring budget is recommended at \$631K





Elections

- The General Fund operating budget is recommended at \$9.7M and includes:
 - Transfer of \$144K to the Recorder's Office for postage for the National Change of Address
- The <u>General Fund Non Recurring budget includes the following:</u>
 - \$100K for 25% of the Final Dell Lease payment
 - \$250K for a Command Center
 - \$700K for force protections at the North and South lobbies of MCTEC
 - \$200K to replace damaged Sitebooks and printers
 - \$2M for 2nd year of lease payments for elections tabulation equipment
- The primary and general election cycle budget is recommended at \$17.2 M



Treasurer

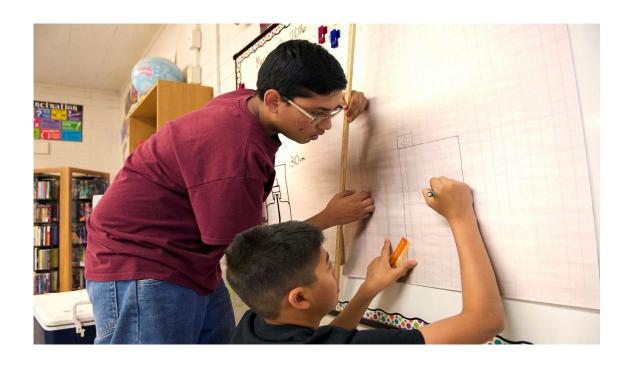
- The <u>General Fund</u> operating budget is recommended at \$7.3M and includes increases for:
 - \$230K for postage due to increased mailing
- Special Revenue fund budgets total \$125K





County School Superintendent

- The General Fund operating expenditure budget is recommended at \$2.9M
- Grant and special revenue budgets total \$20.7M





Clerk of the Board

- The <u>General Fund</u> operating budget is recommended at \$1.5M and includes an increase for:
 - Assistant Deputy Clerk position at \$121K
- One time funding is recommended for:
 - Equipment for the new position for \$6K
- The General Fund special appropriations are recommended at \$124K





Enterprise Technology

- The General Fund operating budget is recommended at \$13.1M
- The <u>General Fund</u> Major Maintenance Operating budget is recommended at \$23.4M and includes:
 - Increase of \$2.7M for the Microsoft Enterprise License Agreement contract renewal
- The <u>Detention Fund</u> operating budget is recommended at \$1.1M
- New one-time <u>General and Detention</u> funding is recommended for:
 - Digital County Initiatives at \$600K
 - Desktop-Laptop Replacement at \$5.4M





Environmental Services

- The <u>General Fund</u> operating budget is recommended at \$10.2M and includes increases for:
 - Vector control positions and supplies at \$459K
- One-time funding is recommended at \$164K for:
 - Vector Control Vehicles and Equipment





Animal Care and Control

- The General Fund operating budget is recommended at \$932K and includes:
 - Increase in funding for enforcement in unincorporated
 Maricopa County of \$40K



- The <u>Shelter Fund</u> operating budget is recommended at \$17.2M and includes:
 - Transfer from General Fund to cover revenue shortfall of \$1.45M
- The <u>Shelter Fund</u> non-recurring budget includes one-time revenue of \$1.6M from the General Fund to cover additional staff and shelter programs.

43,718/2020



Human Services

- The <u>General Fund</u> overall operating budget is recommended at \$4.0M and includes:
 - Funding for long term care of \$201K
 - Funding for the paratransit program of \$1.3M
 - Funding for other community based programs of \$2.5M



- The <u>Human Services Grants</u> budgets total \$54.8M and include:
 - An increase of \$114.6K to the transfer from General Fund for the shortfall of indirect revenue for a total of \$759.2K



Correctional Health

- The <u>General Fund</u> operating budget is recommended at \$3.7M
- The <u>Detention Fund</u> operating budget is recommended at \$68.1M
- The <u>Detention Fund</u> Non Recurring includes
 - \$1M for seven Swisslog/Insite Talyst Machines
 - \$400k for AHCCCS Group Biller Carryforward
- The <u>Detention Fund</u> CHS Graves budget is recommended at \$2.5M





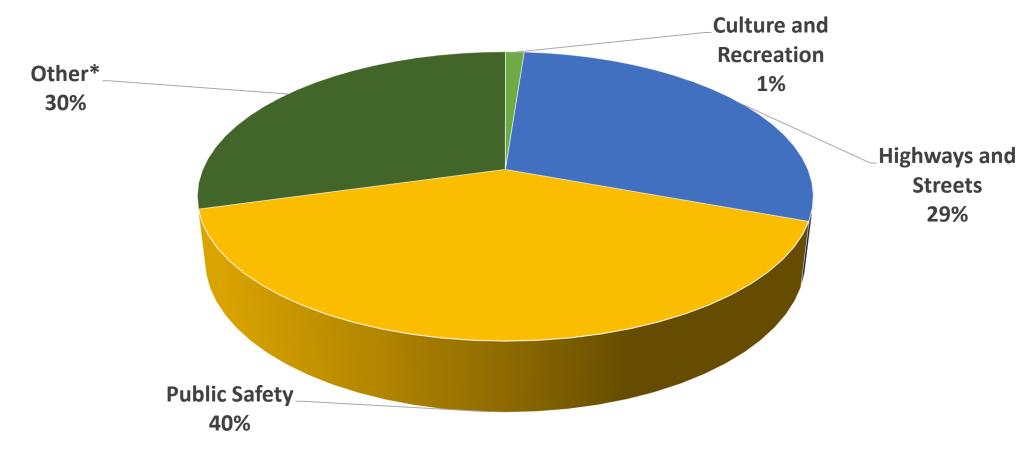
Public Fiduciary

- The <u>General Fund</u> operating budget is recommended at \$4.7M and includes increases for:
 - Indigent Burial of \$193K
 - Investigator position \$80K
 - Technology services of \$20K
 - Supplies of \$4K





FY 2021 Use of Capital Funds \$307,090,853



*Other = Assessor (CAMA), Treasurer (TTSU), Budget/Finance/Procurement (ERPS), Equipment Services, Enterprise Technology (TIR2), Human Resources (HRIUS), Facilities (ADBR)



Parks Capital Project Carryforward - \$3,632,906 in FY 2021

FY 2021	Total Project
200,984	5,560,000
51,880	150,000
59,255	60,000
54,531	1,264,000
136,944	136,944
440,623	638,400
93,035	183,000
1,343,700	1,450,000
388,500	541,000
163,454	375,000
200,000	354,000
500,000	775,000
	200,984 51,880 59,255 54,531 136,944 440,623 93,035 1,343,700 388,500 163,454 200,000

No New Funding For Parks Capital Projects in FY 2021



	antinuing Easilities Capital Draiget #110 1M	in EV 2021		
Pr	ontinuing Facilities Capital Project - \$119.1M	III FY 2021 FY 2021	Tota	al Project
•	301 - Administration Building Renovation	\$44.4M	\$	71.2M
•	Madison Street Jail Adaptive Reuse	\$ 7.7M	\$1	L03.7M
•	Buckeye Hills Range Electric	\$ 475K	\$	1.4M
•	Intake Transfer Release Jail	\$ 4.6M	\$1	L82.0M
•	MCSO Substation at Avondale Campus	\$16.4M	\$	21.0M
•	Adult Probation Southport	\$ 301K	\$	3.5M
•	Southeast Regional Justice Center at Mesa	\$34.6M	\$	52.3M
•	Superior Court Central Building	\$ 5.4M	\$	7.0M
•	Superior Court Central Building 12th Floor	\$ 1.4M	\$	7.4M
•	Superior Court Central Building 11th Floor	\$ 1.4M	\$	7.4M
•	Superior Court - Grand Jury at West Courts	\$ 657K	\$	3.4M
•	Equipment Services - Fuel Stations Durango	\$ 1.1M	\$	5.3M
•	Equipment Services Surprise	\$ 642K	\$	1.1M



Continuing Technology Capital Projects - \$49M in FY 2021

<u>Prc</u>	oject	FY 2021	Total Project
•	Computer Aided Mass Appraisal	\$ 2.9M	\$ 24.9M
•	Enterprise Resource Planning System	\$ 3.7M	\$ 35.9M
•	Infrastructure Refresh Phase II	\$ 5.1M	\$ 70.0M
•	Jail Management Information System	\$ 5.1M	\$ 25.1M
•	Public Safety Radio Refresh	\$14.6M	\$ 19.9M
•	Radio System	\$ 6.6M	\$131.4M
•	Treasurer Technology System Upgrade	\$ 9.9M	\$ 41.3M
•	Treasurer System Upgrade Project Reserve	\$ 1.1M	\$ 4.8M



FY 2021 New IT and Facilities Capital Project Expenditures - \$45.1M

<u>Pro</u>	<u>oject</u>	FY 2021	Total Project
•	Equipment Services Center at Buckeye	\$ 0	\$ 5.4M
•	Equipment Services Downtown Fueling Station	\$ 3.7M	\$ 3.7M
•	South Block Purchase	\$14.0M	\$14.0M
•	MCSO Surveillance Project	\$ 0	\$ 1.0M
•	Human Resources System	\$ 4.0M	\$15.0M
•	Superior Court Electronic Court Recording	\$15.0M	\$37.8M
•	Emergency Management Facility Reserve	\$ 8.4M	\$20.8M



\$1.09 Billion Unfunded Projects

- Admin Building Exterior
- Animal Care and Control Facilities
- Central Courts Plaza Renovation
- Countywide Security Issues
- South Block Remodel
- OET 5-Yr Equipment Refresh
- Parks Master Plan
- Equipment Services Fuel Stations/Building
- Recorder West Court
- Santa Fe/West Court/Elections

- MCSO 4th Avenue Renovations
- MCSO Buckeye Hills Relamping
- MCSO Security Hardening
- MCSO Security Surveillance
- MCSO Substations
- MCSO SWAT K9 Kennels/Major Crimes
- Jail Master Plan
- Court Master Plan
- Superior Court Central Court
- South Court Tower Buildout
- Avondale Court Addition



Retirement Issues

 Retirement contributions from the General and Detention funds are increasing \$8.5M

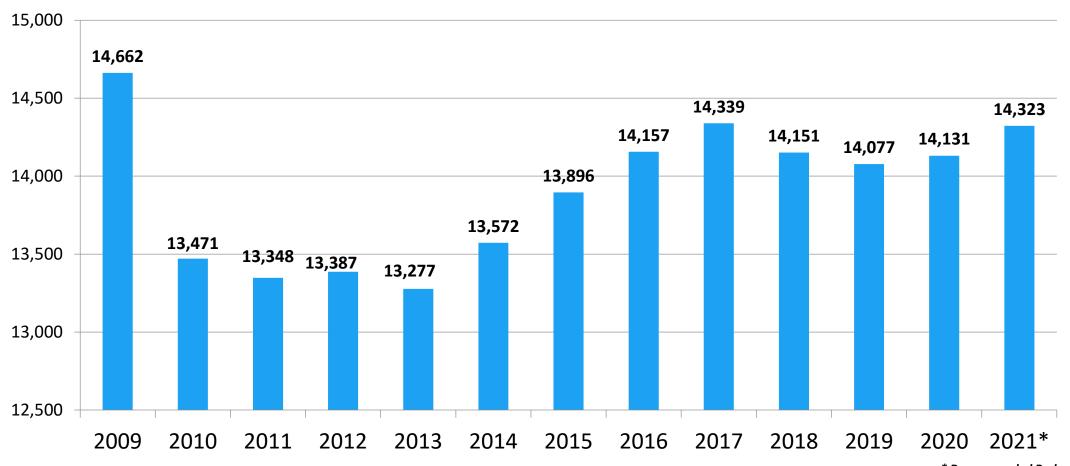
Rates are expected to increase to address funded status and market

conditions

	FY 2020 Employer	FY 2021 Employer	6/30/19 Unfunded	6/30/19 Funded
Plan 🔻		Contributio	Liability	Ratio
PSPRS	61.74%	65.03%	350,016,614	43.60%
CORP	25.53%	29.46%	265,617,701	53.30%
PORP*	31.24%	34.11%	406,484,266	53.70%
EORP*	61.43%	61.43%	650,346,792	31.50%
ASRS+LTD*	12.11%	12.22%	15,558,977,565	72.30%
*State-wide plan				



Budgeted FTE's



* Recommended Budget



FY 2021 Highlights

- Responds to economic downturn based on revenue projections from economist
- Includes a flat tax rate
- Maintains structural balance
- Retains General Fund and Detention reserves at 2 months of operating expenses
- Funds all retirement rate increases
- Funds HRIS replacement system



Moving Forward

- Keep in close contact with economist
- Further adjustments before final budget adoption in June if necessary
- Continuous monitoring of revenue
- Adjustments during FY 2021 if warranted
- Lessons Learned
- Plan for the next downturn



Budget Calendar – Remaining Dates

May 18	Tentative Budget Adoption
June 22	Final Budget Adoption
August 17	Property Tax Levy Adoption







Flood Control District

- Overall expenditures of \$127.1M
- A flat tax rate results in a levy of \$74.9M
- FY 2021 CIP of \$89.4M
- Five-year CIP projected to be \$442.9M

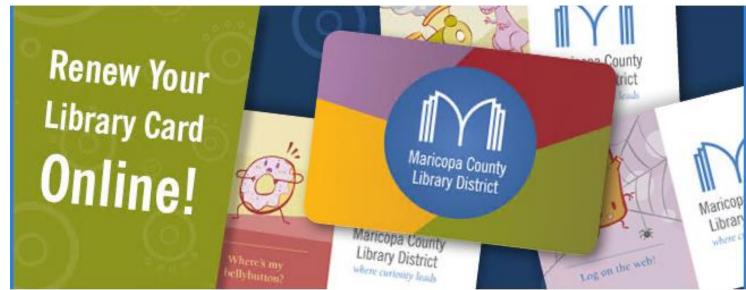






Library District

- Overall expenditures of \$36.7M
- A flat tax rate results in a levy of \$25.4M







Stadium District

- Overall expenditures of \$9,250,000
 - Estimated distribution of \$6.5M in car rental surcharge to Arizona Sports and Tourism Authority
 - Estimated distribution of fund balance of \$2.5M to the team
 - Estimated other expenditures of \$250,000

5/18/2020 64

